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U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

Solicitation No: M/OP-01-RFA001  
Issuance Date: October 16, 2001  
Closing Date: December 17, 2001  
Closing Time: 2:00 pm

Subject: Request for Applications for Endowment Fund for Local Initiatives for Tolerance and Stability (LIFTS) in Southeastern Europe No. M/OP-01-RFA001

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, The U.S. Agency for International Development (USAID) is issuing a Request for Applications (RFA) for an Endowment tentatively entitled the Fund for Local Initiatives for Tolerance and Stability (LIFTS) in Southeastern Europe. The specific support required can be found in Section III.

The RFA, including instructions, is available on the internet at <http://www.info.usaid.gov> under the Business & Procurement icon button (See Request for Applications)(for greater detail on accessing the RFA under the internet, see below).

Subject to the availability of funds, USAID intends to award an endowment grant of approximately ten (10) million dollars denominated in Euros in support of USAID's Strategic Objective (SO 2.1), "Increased citizen participation in political and economic decision making."

Anticipated total USAID funding over the life of the ten (10) year endowment is approximately \$10,000,000.00 denominated in Euros.

To this end, the RFA is being issued and consists of this cover letter and the following:

<b>Section No.</b>	<b>Title</b>
I	RFA Summary and Background
II	Selection Criteria
III	Program Description
IV	Attachments
	(1) Certifications, Assurances and Other Statements of Applicants
	(2) Applicable Standard Provisions
	(3) Endowment Grant Format

Applications must be received no later than 2:00 pm Eastern Standard Time on the closing date at the address below. Applications and modifications must be submitted in sealed envelopes with the name and address of the applicant and the RFA Endowment number No. M/OP-01-RFA001:

(If sent via U.S. Postal Service)

United States Agency for International Development  
Office of Procurement, M/OP/EER/DGLA  
Attn: Suzanne H. Partridge or Yves Kore  
Ronald Reagan Building  
1300 Pennsylvania Ave. N.W.  
Room 7.09-083  
Washington, D.C. 20523-7101

-OR

(If Hand-carried or Via Courier Service)

United States Agency for International Development  
Office of Procurement, M/OP/EER/DGLA  
Attn: Suzanne H. Partridge or Yves Kore  
1300 Pennsylvania Avenue, N.W. (On 14th near Penn. Ave.)  
Washington, D.C. 20523-7101

Applicants must submit both hard paper copies and a 3.5-inch disk of their proposals.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the

preparation and submission of an application. Further, the Government reserves the right to reject any or all applications received.

Telegraphic applications (including e-mails and attachments) are not authorized for this RFA and shall not be accepted.

For your convenience, this RFA can be viewed and downloaded via the internet. The USAID main website address is as follows:

<http://www.info.usaid.gov>

Go to the Business & Procurement icon button (See Under Request for Applications). For specific information regarding the requirements for tax exempt status and application for exemption , please refer to [http://www.irs.gov/bus\\_info/eo](http://www.irs.gov/bus_info/eo).

Applicants can access Policy Determination Letter (PD) 21 on the public website. Please refer to [www.usaid.gov/pubs/ads/200](http://www.usaid.gov/pubs/ads/200). Go to the bottom of the ADS 200 index page and click on references, then scroll to G for Guidelines: Endowments Financed with Appropriated Funds. Please note that this document is for guidance purposes only, as no appropriated funds are involved in this award.

Please inform USAID by e-mail if you have downloaded this RFA. Send notices to [spartridge@usaid.gov](mailto:spartridge@usaid.gov). Subject line should read "Notice of Interest", and body should include physical address, as well as e-mail return address. This will allow USAID to notify you should there be any revisions. Also any questions concerning this RFA should be directed to the point-of-contact for this solicitation at facsimile (202) 216-3396.

Finally, applicants should retain for their records, one copy of any and all enclosures, which accompany your application.

Sincerely,

Lisa M. Bilder  
Agreement Officer  
Chief, M/OP/EER/DGLA Branch  
Office of Procurement

## **SECTION I**

### **RFA INSTRUCTIONS AND CONDITIONS**

The Applicant shall follow the Request for Applications (RFA) Instructions and Conditions contained herein and supply all information required. Explicit responsibilities pertaining to this program are indicated in the Program Description, Section III of this RFA. Section II of this RFA contains the Evaluation Criteria to assist the Applicant in providing all information required for the evaluation.

Failure to furnish all information may disqualify an Applicant. Applicants must set forth full, accurate, and complete information as required by this RFA. The penalty for making false statements in applications to the United States Government is prescribed on 18 U.S.C. 1001.

Applications offering less than 90 days for acceptance by the Government from the date set for receipt may be considered unacceptable and may be rejected.

#### **A. PREPARATION OF APPLICATIONS**

##### **1. GENERAL**

Applicants are requested to submit an application directly responsive to the terms, conditions, specifications, and provisions of this RFA. Applications not conforming to this RFA may be categorized as unacceptable, eliminating them from further consideration.

Applications must be submitted in one volume. The submission should contain an original and five (5) copies. One 3.5-inch diskette of the proposal must also be submitted. The proposal should be in the format of MS-WORD.

Each Applicant shall furnish the information required by this RFA. The Applicant shall sign the applications and print or type their name on the Cover Page of the one volume of the application. Erasures or other changes must be initialed by the person signing the application. Applications signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the USAID Office of Procurement.

##### **A.1. Technical Application**

The technical application is the critical item of consideration in selection for award of this Endowment grant. It should be specific, complete, and presented concisely. Section II addresses the technical evaluation of the application. All Applicants are advised that lack of completeness or superficiality of the application may constitute grounds for excluding it from consideration. The technical application must set forth in detail the program approach and implementation plan, organizational capability and past performance, and

fundraising strategy to best accomplish and promote peace and ethnic tolerance in Southeastern Europe. This technical application is not to exceed 50 pages, excluding curricula vitae and past performance attachments. However, the technical portion must be able to stand alone without the attachments.

## **A.2. Additional Information Required**

A.2.a. Indicate whether or not the institution's accounting system has been approved by any Government agency; if so, provide the name, address, and telephone number of the cognizant auditor.

A.2.b. Applicants shall submit sufficient evidence of responsibility for the Agreement Officer to make a determination of responsibility. The information submitted should substantiate that the Applicant:

A.2.b.1. Has adequate financial resources or the ability to obtain such resources as required for the award of the Grant.

A.2.b.2. Has the ability to comply with the grant conditions, taking into account all existing and currently prospective commitments of the Applicants either nongovernmental and governmental.

A.2.b.3. Has a satisfactory record of performance. In the absence of evidence to the contrary of circumstances properly beyond the control of the Applicant, Applicants who are or have been deficient in current or recent performance (when the number of grants, contracts, and cooperative agreements, and the extent of any deficiency of each, are considered) shall be presumed to be unable to meet this requirement. Past unsatisfactory performance will ordinarily be sufficient to justify a determination of nonresponsibility, unless there is clear evidence of subsequent satisfactory performance. The Agreement Officer shall collect and evaluate data on past performance of Applicants using information on past programs provided in accordance with SECTION II.

A.2.b.4. Has satisfactory record of integrity and business ethics; and

A.2.c. Completed Certifications and other Required Information in SECTION IV.

## **B. ACKNOWLEDGMENT OF AMENDMENTS TO THIS RFA**

Applicants shall acknowledge receipt of any amendment to this RFA by signing and returning the amendment. The Government must receive the acknowledgment by the time specified in the Cover Letter for receipt of applications.

## **C. RECEIPT OF APPLICATIONS**

Applications must be received at the place designated by the date

and time specified in the Cover Letter of this RFA to be considered responsive.

#### **D. SUBMISSION OF APPLICATIONS**

D.1. Applications and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the Cover Letter of this RFA, and (2) showing the time specified for receipt, the RFA number, and the name and address of the Applicant.

D.2. Any modification of an application, except a modification resulting from the Agreement Officer's request for a revised application following negotiations is subject to the same conditions as in D.1. above.

D.3. Applications may be withdrawn by written notice or telegram (including mailgram or e-mail) received at any time before award. Applications may be withdrawn in person by an Applicant or an authorized representative, if the representative's identity is made known and the representative signs a receipt for the application before award.

#### **E. EXPLANATION TO PROSPECTIVE APPLICANTS**

Any prospective Applicant desiring an explanation or interpretation of this RFA must request it in writing no later than 14 business days before the closing date. This is to allow enough time for the Grant Officer's reply to reach all prospective Applicants before the applications closing date.

Oral explanations or instructions given before award of the Endowment Grant shall not be binding. Any information given to a prospective Applicant concerning this RFA shall be furnished promptly to all other prospective Applicants as an amendment of this RFA, if that information is necessary in submitting applications or if the lack of it would be prejudicial to any other prospective Applicants.

#### **F. AUTHORITY TO OBLIGATE THE GOVERNMENT**

The Grant Officer is the only individual who may legally commit the Government to the expenditure of public funds. No costs chargeable to the proposed Endowment Grant may be incurred before receipt of either a fully executed Grant or a specific, written authorization from the Grant Officer.

END OF SECTION I

## **SECTION II SELECTION CRITERIA**

Applicants should note that these criteria serve to: (a) identify the significant matters that applicants should address in their applications and (b) set standards against which all applications will be evaluated.

ONE ORIGINAL AND FIVE COPIES OF THE PROPOSAL (ONE VOLUME) IN RESPONSE TO THE APPLICATION AND ONE 3.5 INCH DISKETTE OF THE ONE VOLUME ARE REQUESTED SO AS TO REACH USAID POINT-OF-CONTACT NO LATER THAN 2:00 PM (EST), DECEMBER 17, 2001.

Applications will undergo preliminary review by USAID procurement and technical staff for completeness and responsiveness.

Applications that are submitted late or incomplete run the risk of not being considered in the review process.

Technical Volumes will be evaluated according to the following criteria. The criteria presented below have been tailored to the requirements of this RFA. The number of points assigned indicates the relative importance of each criterion; a total of 100 points are possible. The Technical Volumes will be evaluated by a peer review committee of USAID representatives and others, as deemed appropriate, in accordance with the technical evaluation criteria set forth below.

### **A. Selection Criteria**

#### **1. Qualifications**

The receiving organization or head of the consortium must be a non-profit, non-governmental organization or foundation registered in the United States under Section 501(c)(3) of the U.S. Internal Revenue Code. Income from investments in the U.S. will be generally subject to federal taxes unless the receiving organization has been recognized as a charitable organization under Section 501(c)(3).

The receiving organization's existing activities and mission must be consistent with the purposes of the Fund.

The receiving organization must have a policy satisfactory to USAID for the prevention of conflicts of interest in the award of sub-grants.

Contributions and/or letters of credit totaling a minimum of \$1 million in matching funds (10% of the required match) must be in hand at the time of application to qualify. USAID will not complete an award until the successful applicant has the full amount of minimum required matching funds (i.e., \$10 million) in-hand in the form of cash and/or irrevocable letters of credit. The successful applicant will be given six months to raise matching funds from the time they are



notified of their selection. If the applicant initially selected by USAID fails to raise the full \$10 million within six months, USAID reserves the right to offer the opportunity to the applicant with the next highest standing.

The endowment grant will prohibit transacting business with, and/or furnishing support to, groups and individuals linked to terrorism or political violence. Each Application must describe the steps the Applicant would take to assure 1) that no such persons benefit from the Endowment and 2) that recipients of assistance under the Endowment also adhere to this prohibition. The prohibition includes but is not limited to entities and individuals named by the Office of Foreign Assets Control (OFAC) or in Presidential Executive Orders of September 24, 2001 and July 26, 2001 blocking property of certain named groups and entities associated with terrorism or violence. Note that additional comparable Executive Orders and OFAC lists may be issued as circumstances warrant and that additional names may be added to (or deleted from) the lists. USAID will include an attachment to the Grant Award identifying the proscribed groups and individuals as of that date but the successful applicant will be required to stay abreast of changes in the lists so as to avoid assisting any ineligible person.

## **2. Technical Criteria**

**100 possible points**

Selection of the successful applicant will be based upon the criteria below. Please note that the selection criteria are over and above the minimum required cash match of \$10 million. In addition, applicants should be aware that USAID will not disburse its funds to the endowment until the full amount of minimum cash matching (i.e., \$10 million) is secured.

### **(a) Program approach and implementation plan**

**40 Points**

- Extent to which proposed approach is creative, relevant, consistent with and supportive of the project aims outlined in this Request for Application.
- Applicant's approach to promoting peace and ethnic tolerance through small grants to local organizations.
- List of illustrative program areas to be supported.
- Process for establishing Fund policies and priorities.
- Organizational structure, location and management of the Fund.
- Size and number of annual grants proposed to be made in the program.
- Guidelines for grant solicitation, review and approval, and policy for avoidance of conflict of interest in grant-making. Guidelines for solicitation should include plans to ensure equal opportunity by all ethnic groups to apply and be considered for grants.
- Monitoring and oversight plan.
- Approach to donor coordination.
- Proposed time-line for program implementation beginning with the announcement of the award and including expected completion of fundraising, completion of USAID award, hiring of personnel, opening of the program office, first solicitation of grant applications, and award of first grants.
- Description of proposed financial investment strategy for endowment funds.

**(b) Organizational capability and past performance**

**35 points**

- Extent of the applicant's organizational experience in implementing programs to support civil society in Central and Eastern Europe and/or the former Soviet Union region.
- Experience administering a small grants/sub-grants program covering a broad geographic area.
- Experience implementing projects that promote peace and ethnic tolerance.
- Demonstrated experience in the management and investment of substantial financial endowments and financial resources. (In lieu of organizational experience in the management and investment of financial endowments, an applicant may propose to place the endowment with a trustee.)
- Relative technical experience of proposed personnel involved in the management, oversight and implementation of the program.

**(c) Fundraising**

**25 points**

- Realistic plan to utilize more than 70 percent of endowment income for sub-grants, either by minimizing administrative expenses or by covering such expenses either in-kind or from other sources.
- Proposal to raise more than the minimum \$10 million in matching funds from other sources.
- Feasibility of proposed fundraising strategy, including estimated time necessary to raise minimum \$10 million in matching funds.

END OF SECTION II

### SECTION III PROGRAM DESCRIPTION

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#### **A. Summary**

Consistent with the principles of its new Global Development Alliance, USAID is seeking a partner (or consortium of partners) to manage and co-fund an endowment tentatively entitled Fund for Local Initiatives for Tolerance and Stability (LIFTS) in Southeastern Europe<sup>1</sup>. LIFTS will complement existing USAID programs in the region by awarding small grants to local entities to implement projects that promote peace and ethnic tolerance in the region. Activities to be supported by LIFTS will include, but are not limited to, the areas of conflict prevention and resolution and minority rights. USAID will contribute approximately \$10 million<sup>2</sup> to LIFTS, and the partner(s) will match this with a contribution of at least \$10 million. LIFTS will be managed by the partner(s) who will appoint the managing board and staff.

USAID will monitor the Fund for a ten-year period. During those 10 years, the joint principal will be maintained in trust, and only the earnings on the principal can be used for program costs.

Initial proposals from interested parties must be accompanied by concrete evidence of commitments of no less than \$1 million in cash or cash equivalents, and the award will not be executed until the partner has raised at least \$10 million in cash to match the USAID contribution. Specific details are provided below.

#### **B. Background**

When the Berlin Wall fell over a decade ago, tensions mostly along ethnic, regional, and religious lines that had once been kept in check by semi-authoritarian socialist governments rose to the surface, resulting in a decade of conflict and instability in Southeastern Europe. In Bosnia, Kosovo, and most recently Macedonia, ethnic tensions were exacerbated by ethnic nationalism, leading to prolonged armed conflicts pitting one ethnic group against another. Even where armed conflict ceased several years ago, as in Croatia and Bosnia, tensions between different ethnic groups remain strong, preventing true integration and stability. In other parts of the region, tensions between ethnic populations have been strained, but have fallen short of armed conflict, for example relations between Romanians and Hungarians in Romania, Bulgarians and Bulgarian Turks in Bulgaria, and attitudes of majority populations towards Roma throughout the region. In

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<sup>1</sup> Local Initiatives for Tolerance and Stability (LIFTS) should be considered a working title for the Fund. Applicants should feel free to propose an alternative name for the Fund if they so desire.

<sup>2</sup> USAID's contribution will be the Euro equivalent of approximately \$10 million. The successful applicant will be notified of the exact amount when they are informed of their selection. Please note that exchange rate fluctuations may change the final dollar equivalency of USAID's contribution at the time of award.

Albania, primary sources of tension and instability within the country include religious differences and clan allegiances. This on-going tension between different groups in the region has had a devastating impact on the prospects for stability, security and long-term development in the region.

A number of USAID programs in the region have addressed issues related to conflict prevention and resolution, and ethnic tension and intolerance to varying extents. Given the long-term nature of the problem and the lack of indigenous sources of funding for programs addressing such issues, however, USAID is interested in co-funding an endowment that will make funding available to local entities to promote peace and ethnic tolerance over a longer time horizon.

## **C. Program Description**

### **1. Goal of the Fund**

LIFTS will provide financial support to local initiatives that promote tolerance and stability in Southeastern Europe, thereby promoting regional stability and democracy. Activities to be supported include, but are not limited to, programs in the areas of conflict prevention and resolution, and minority rights. The Fund may support projects that promote dialogue and reconciliation at all levels: between ethnic groups at the community or national level; between citizens, NGOs and the public sector; and cross-border dialogue between governments and ethnic groups. Illustrative activities that LIFTS may support include, but are not limited to:

- Citizen education and participation in public policy decision-making, as it relates to issues of minority rights, conflict prevention, conflict resolution, etc.;
- Programs promoting ethnic tolerance, multiculturalism, and reconciliation;
- Psychosocial support for victims of trauma;
- Youth as agents of change;
- Refugee returns, including protection of human and property rights; and
- Negotiation and mediation skills within communities.

Over the past decade, USAID has supported numerous projects aimed at building the capacity of local NGOs through the provision of training and technical assistance. Such programs remain active in the majority of the countries to be covered by LIFTS. Accordingly, LIFTS should not focus on NGO capacity-building activities, but should build upon the capacity developed in local NGOs under other donor programs.

Applicants should demonstrate their understanding of and approach to the issues of peace and ethnic tolerance and provide a list of illustrative program areas to be supported by the Fund. Proposed approaches should focus on achieving practical results, and should define the anticipated impact of a small grants program on peace and ethnic tolerance in the region. Restrictions on the grants program are few, but include prohibition on grants to organizations or individuals identified by the United States government as implicated in incitement to ethnic violence. The details of this and other restrictions are set forth in the standard attachments.

LIFTS will operate region-wide, covering Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, and Serbia. All sub-grants will be awarded on a competitive basis. No pre-determined level of funding will be allocated, earmarked or reserved for a specific country or sub-entity prior to the review and award process for applications. Sub-grants will be made available for both country-specific and cross-border initiatives.

LIFTS will support initiatives that are implemented by any formal entity, including non-governmental organizations (NGOs), government entities, educational institutions, and media outlets. Sub-grant projects submitted by for-profit institutions will only be considered if the project itself is not-for-profit and does not serve the commercial interests of the private entity.

USAID is committed to promoting gender equality in all of its programs. This means examining the constraints and opportunities for both men and women – particularly as they may differ. Including gender means assessing: how the problems of men and women may be different; how the impact of activities may differently affect men and women; and, how the contributions of men and women may contribute to results in different ways. Applicants should demonstrate a knowledge of and sensitivity to gender issues and illustrate how that knowledge and sensitivity will be transmitted to sub-grantees. As appropriate and feasible, all impact and indicator data will be disaggregated by gender.

This activity will be implemented under USAID's Strategic Objective 2.1, "Increased citizen participation in political and economic decision making." It supports USAID's increased focus on conflict prevention and conflict resolution and is consistent with the established priorities of the Stability Pact, which include ethnic reconciliation.

## **2. Cooperation with Other Assistance Programs and Providers**

There are a variety of donor assistance programs, including programs that address peace and ethnic tolerance issues, active in the countries to be covered by LIFTS. USAID is still active in all of the participating countries in the region, and does not anticipate closing any of these missions in the next five years. Other major bilateral and multilateral donors include the European Union, the Organization for Security and Cooperation in Europe (OSCE), various agencies of the United Nations, and individual European countries. Private donors include the Soros Foundation's Open Society Institutes, the Mott Foundation, and the German Stiftungs. Applicants should describe their approach to cooperating with these and other active donors in the region in order to share lessons learned, avoid duplication of efforts, and maximize impacts.

## **3. Financing and Operation of the Fund**

USAID will contribute approximately \$10 million to LIFTS. The successful applicant will be required to raise a minimum of \$10 million from non-U.S. government sources to match USAID's contribution. Only cash in-hand and/or irrevocable letters of credit will count as matching funds. No in-kind contributions will be counted for the purposes of building the fund's capital. Applicants must have a minimum of \$1 million of matching funds (10% of the minimum required match) available at the time of application. Applicants should present a plan for raising

the additional matching funds as part of their application. Once the successful applicant is notified of their selection, they will be given six months to raise the matching funds. If unable to raise the funds in this time period, USAID will offer the second ranked applicant the opportunity to raise the necessary matching funds. USAID will not formally award the grant until the successful applicant has the full amount of the minimum required matching funds (i.e., \$10 million) in place.

As discussed more fully in Section 5 below, the grant will be invested to produce income for subgrants and operating expenses. Given the protracted nature of the problems that the Fund is designed to address, there will be no draw-down of fund principal during the 10-year period of USAID oversight, without written USAID approval.

At least 70 percent of the Fund's annual income must be used for sub-grants. Therefore, the proposed staffing plan should be kept to the minimum necessary to effectively manage the Fund's program, offices, finances, and reporting responsibilities. Applicants are encouraged to dedicate a greater percentage of the Fund's income to sub-grants by minimizing administrative costs or by covering some or all of the Fund's administrative expenses in-kind or from other sources.

Applicants may propose to locate the Fund's offices in either the United States, Southeastern Europe, or in Central and Eastern Europe. Their decision in this matter should be based upon careful consideration of the costs and benefits of each option. Applicants should explain how their proposed plans for staffing and office location(s) will allow them to effectively manage a program of small grants operating throughout Southeastern Europe, using 30 percent or less of the Fund's annual income.

The successful applicant must comply with all organizational, tax filing and other legal requirements to insure that the Fund maintains Section 501(c) (3) status under the U.S. tax code so that grant investment income is exempt from U.S. taxation. As a beginning, applicants can consult the IRS website [www.irs.gov/businfo/char-orgs.html](http://www.irs.gov/businfo/char-orgs.html). In addition, the successful applicant will be responsible for fulfilling the organizational, tax exemption and other legal requirements of other jurisdictions (e.g., a U.S. state or a foreign country) in which the Grantee and/or the Fund may reside or operate.

#### **4. Oversight and Monitoring**

The successful applicant will be responsible for day-to-day operations and management of the Fund's activities. Applicants should propose a structural mechanism and process for setting Fund priorities, establishing overall policy guidance, overseeing Fund management and finances, and monitoring and evaluating the individual and combined impact and results of the Fund's activities.

USAID interaction with the Fund will consist mainly of a 10-year period of monitoring. USAID will not actively participate in implementation of program activities. However, during the oversight period, a USAID liaison will participate at a minimum semi-annually with the

receiving organization in policy discussions regarding the Fund, and will actively monitor Fund activities and actions to ensure that the terms, conditions, goals and purposes of the Fund are being met. If the receiving organization proposes to establish an independent board or committee for oversight, monitoring and policy guidance purposes, the USAID liaison, or his/her representative, will attend meetings of this body as an observer.

During its 10-year period of oversight, violation of any of the terms of the grant agreement may constitute grounds for dissolution of the Fund. In this case, all funds awarded by USAID will be distributed in accordance with USAID's instructions.

The successful applicant will provide USAID/Washington with an annual report covering the Fund's finances, program performance, progress toward achieving the Fund's goals and purposes, and number of grant awards, amount of each, and location.

## **5. Management of Funds**

During the 10-year period of USAID oversight, USAID funds and reinvested income must be maintained in a separate investment account. The receiving organization also may not draw down the principal of the endowment without the prior written approval of USAID during this period.

In managing the fund, the successful applicant should generally be guided by USAID's Policy Determination 21, "Guidelines: Endowments Financed with Appropriated Funds" (PD-21). However, well-justified proposals for variations from the guidance will be considered. For example, while PD-21 requires that the funds be invested in financial instruments offered in the U.S. through a U.S.-based financial intermediary, USAID will consider sound arguments to invest funds in other types of instruments that are sound and prudent and not of a highly speculative nature.

Following the USAID oversight period, the receiving organization may draw down the Fund's principal for the purposes of expanding grant support for projects promoting peace and ethnic tolerance in the Fund's target countries. At this time, the receiving organization may also choose to transfer its remaining balances to another U.S.-registered, non-profit, non-governmental foundation. This may be done solely for the purposes of grant support to initiatives promoting peace and ethnic tolerance and will require USAID approval of the transfer.

END OF SECTION III

## **SECTION IV ATTACHMENTS**

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The following attachments are included in this Request for Endowment:

- (1) Certifications, Assurances and Other Statements of Applicants
- (2) Applicable Standard Provisions
- (3) Endowment Grant Format





U.S. Agency for International Development

**CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF RECIPIENT<sup>2 3</sup>**

**PART I - CERTIFICATIONS AND ASSURANCES**

**1. ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING NON-DISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS**

(a) The recipient hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program or activity receiving financial assistance from USAID, and that with respect to the grant for which application is being made, it will comply with the requirements of:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d), which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance;

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance;

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds;

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(5) USAID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

(b) If the recipient is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the recipient establishes to the satisfaction of the USAID Administrator that the institution's practices in designated parts or programs of the institution will in no way

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<sup>2</sup>FORMATS\GRNTCERT: Rev. 06/16/97 (ADS 303.6, E303.5.6a)

<sup>3</sup>When these Certifications, Assurances, and Other Statements of Recipient are used for cooperative agreements, the term "Grant" means "Cooperative Agreement".

affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of, or participants in, such programs.

(c) This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date hereof to the recipient by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the recipient.

## **2. CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS**

### **(a) Instructions for Certification**

(1) By signing and/or submitting this application or grant, the recipient is providing the certification set out below.

(2) The certification set out below is a material representation of fact upon which reliance was placed when the agency determined to award the grant. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

(3) For recipients other than individuals, Alternate I applies.

(4) For recipients who are individuals, Alternate II applies.

### **(b) Certification Regarding Drug-Free Workplace Requirements**

#### **Alternate I**

(1) The recipient certifies that it will provide a drug-free workplace by:

(A) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the applicant's/grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(B) Establishing a drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The recipient's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(C) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (b)(1)(A);

(D) Notifying the employee in the statement required by paragraph (b)(1)(A) that, as a condition of employment under the grant, the employee will--

1. Abide by the terms of the statement; and
2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(E) Notifying the agency within ten days after receiving notice under subparagraph (b)(1)(D)1. from an employee or otherwise receiving actual notice of such conviction;

(F) Taking one of the following actions, within 30 days of receiving notice under subparagraph (b)(1)(D)2., with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination; or
2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

- (G) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (b)(1)(A), (b)(1)(B), (b)(1)(C), (b)(1)(D), (b)(1)(E) and (b)(1)(F).

(2) The recipient shall insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Alternate II

The recipient certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the grant.

**3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS<sup>4</sup>**

**(a) Instructions for Certification**

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meaning set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549.<sup>5</sup> You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.

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<sup>4</sup>The recipient must obtain from each identified subgrantee and (sub)contractor, and submit with its application/proposal, the Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Transactions, set forth in Attachment A hereto. The recipient should reproduce additional copies as necessary.

<sup>5</sup>See ADS Chapter E303.5.6a, 22 CFR 208, Annex1, App A.

6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction,"<sup>6</sup> provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the methods and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealing.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

(b) Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(1) The prospective primary participant certifies to the best of its knowledge and belief, the it and its principals:

(A) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(B) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(C) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(B) of this certification;

(D) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**4. CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a

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<sup>6</sup>For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the grant standard provision entitled "Debarment, Suspension, and Related Matters" if the recipient is a U.S. nongovernmental organization, or in the grant standard provision entitled "Debarment, Suspension, and Other Responsibility Matters" if the recipient is a non-U.S. nongovernmental organization.

Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities,"<sup>7</sup> in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, United States Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that: If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

#### **5. CERTIFICATION OF RECIPIENT**

The recipient certifies that it has reviewed and is familiar with the proposed grant format and the regulations applicable thereto, and that it agrees to comply with all such regulations, except as noted below (use a continuation page as necessary):

Solicitation No.  
Application/Proposal No.  
Date of Application/Proposal  
Name of Recipient

Typed Name and Title

Signature \_\_\_\_\_ Date

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<sup>7</sup> See Attachment B.

## **PART II**

### **OTHER STATEMENTS OF RECIPIENT**

#### **1. AUTHORIZED INDIVIDUALS**

The recipient represents that the following persons are authorized to negotiate on its behalf with the Government and to bind the recipient in connection with this application or grant:

<u>Name</u>	<u>Title</u>	<u>Telephone No.</u>	<u>Facsimile No.</u>
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#### **2. TAXPAYER IDENTIFICATION NUMBER (TIN)**

If the recipient is a U.S. organization, or a foreign organization which has income effectively connected with the conduct of activities in the U.S. or has an office or a place of business or a fiscal paying agent in the U.S., please indicate the recipient's TIN:

TIN:

#### **3. CONTRACTOR IDENTIFICATION NUMBER--DATA UNIVERSAL NUMBERING SYSTEM (DUNS) NUMBER**

(a) In the space provided at the end of this provision, the recipient should supply the Data Universal Numbering System (DUNS) number applicable to that name and address. Recipients should take care to report the number that identifies the recipient's name and address exactly as stated in the proposal.

(b) The DUNS is a 9-digit number assigned by Dun and Bradstreet Information Services. If the recipient does not have a DUNS number, the recipient should call Dun and Bradstreet directly at 1-800-333-0505. A DUNS number will be provided immediately by telephone at no charge to the recipient. The recipient should be prepared to provide the following information:

- (1) Recipient's name.
- (2) Recipient's address.
- (3) Recipient's telephone number.
- (4) Line of business.
- (5) Chief executive officer/key manager.
- (6) Date the organization was started.
- (7) Number of people employed by the recipient.
- (8) Company affiliation.

(c) Recipients located outside the United States may obtain the location and phone number of the local Dun and Bradstreet Information Services office from the Internet Home Page at <http://www.dbisna.com/dbis/customer/custlist.htm>. If an offeror is unable to locate a local service center, it may send an e-mail to Dun and Bradstreet at [globalinfo@dbisma.com](mailto:globalinfo@dbisma.com).

The DUNS system is distinct from the Federal Taxpayer Identification Number (TIN) system.

DUNS:

#### **4. LETTER OF CREDIT (LOC) NUMBER**

If the recipient has an existing Letter of Credit (LOC) with USAID, please indicate the LOC number:

LOC: 72-00-

#### **5. PROCUREMENT INFORMATION**

(a) Applicability. This applies to the procurement of goods and services planned by the recipient (i.e., contracts, purchase orders, etc.) from a supplier of goods or services for the direct use or benefit of the recipient in conducting the program supported by the grant, and not to assistance provided by the recipient (i.e., a subgrant or subagreement) to a subgrantee or subrecipient in support of the subgrantee's or subrecipient's program. Provision by the recipient of the requested information does not, in and of itself, constitute USAID approval.

(b) Amount of Procurement. Please indicate the total estimated dollar amount of goods and services which the recipient plans to purchase under the grant:

       \$

(c) Nonexpendable Property. If the recipient plans to purchase nonexpendable equipment which would require the approval of the Agreement Officer, please indicate below (using a continuation page, as necessary) the types, quantities of each, and estimated unit costs. Nonexpendable equipment for which the Agreement Officer's approval to purchase is required is any article of nonexpendable tangible personal property charged directly to the grant, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

<u>Type/Description (Generic)</u>	<u>Quantity</u>	<u>Estimated Unit Cost</u>
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(d) Source, Origin, and Componentry of Goods. If the recipient plans to purchase any goods/commodities which are not of U.S. source and/or U.S. origin, and/or does not contain at least 50% componentry which are not at least 50% U.S. source and origin, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, and probable source and/or origin, to include the probable source and/or origin of the components if less than 50% U.S. components will be contained in the commodity. "Source" means the country from which a commodity is shipped to the cooperating country or the cooperating country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse. Any commodity whose source is a non-Free World country is ineligible for USAID financing. The "origin" of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results, which is substantially different in basic characteristics or in purpose or utility from its components. Merely packaging various items together for a particular procurement or relabeling items does not constitute production of a commodity. Any commodity whose origin is a non-Free World country is ineligible for USAID financing. "Components" are the goods which go directly into the production of a produced commodity. Any component from a non-Free World country makes the commodity ineligible for USAID financing.

<u>Type/Description</u>		<u>Estimated</u>	<u>Probable Source</u>		<u>Probable Origin</u>	<u>(Generic)</u>
<u>Quantity</u>	<u>Unit Cost</u>	<u>Goods</u>	<u>Components</u>	<u>Goods</u>	<u>Components</u>	

(e) Restricted Goods. If the recipient plans to purchase any restricted goods, please indicate below (using a continuation page, as necessary) the types and quantities of each, estimated unit costs of each, intended use, and probable source and/or origin. Restricted goods are Agricultural Commodities, Motor Vehicles, Pharmaceuticals, Pesticides, Rubber Compounding Chemicals and Plasticizers, Used Equipment, U.S. Government-Owned Excess Property, and Fertilizer.

Type/Description			Estimated	Probable	Probable____(Generic)
<u>Quantity</u>	<u>Unit Cost</u>	<u>Intended Use</u>	<u>Source</u>	<u>Origin</u>	

(f) Supplier Nationality. If the recipient plans to purchase any goods or services from suppliers of goods and services whose nationality is not in the U.S., please indicate below (using a continuation page, as necessary) the types and quantities of each good or service, estimated costs of each, probable nationality of each non-U.S. supplier of each good or service, and the rationale for purchasing from a non-U.S. supplier. Any supplier whose nationality is a non-Free World country is ineligible for USAID financing.

Type/Description (Generic)	<u>Quantity</u>	<u>Unit Cost</u>	Estimated	Probable Supplier Nationality (Non-U.S. Only)	Rationale for non-U.S.
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(g) Proposed Disposition. If the recipient plans to purchase any nonexpendable equipment with a unit acquisition cost of \$5,000 or more, please indicate below (using a continuation page, as necessary) the proposed disposition of each such item. Generally, the recipient may either retain the property for other uses and make compensation to USAID (computed by applying the percentage of federal participation in the cost of the original program to the current fair market value of the property), or sell the property and reimburse USAID an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original program (except that the recipient may deduct from the federal share \$500 or 10% of the proceeds, whichever is greater, for selling and handling expenses), or donate the property to a host country institution, or otherwise dispose of the property as instructed by USAID.

<u>Type/Description (Generic)</u>	<u>Quantity</u>	<u>Estimated Unit Cost</u>	<u>Proposed Disposition</u>
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## 6. PAST PERFORMANCE REFERENCES

On a continuation page, please provide a list of the ten most current U.S. Government and/or privately-funded contracts, grants, cooperative agreements, etc., and the name, address, and telephone number of the Contract/Agreement Officer or other contact person.

## 7. TYPE OF ORGANIZATION

The recipient, by checking the applicable box, represents that -

(a) If the recipient is a U.S. entity, it operates as ☐ a corporation incorporated under the laws of the State of \_\_\_\_\_, ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a state or local governmental organization, ☐ a private college or university, ☐ a public college or university, ☐ an international organization, or ☐ a joint venture; or

(b) If the recipient is a non-U.S. entity, it operates as ☐ a corporation organized under the laws of \_\_\_\_\_ (country), ☐ an individual, ☐ a partnership, ☐ a nongovernmental nonprofit organization, ☐ a nongovernmental educational institution, ☐ a governmental organization, ☐ an international organization, or ☐ a joint venture.

## 8. ESTIMATED COSTS OF COMMUNICATIONS PRODUCTS

The following are the estimate(s) of the cost of each separate communications product (i.e., any printed material [other than non-color photocopy material], photographic services, or video production services) which is anticipated under the grant. Each estimate must include all the costs associated with preparation and execution of the product. Use a continuation page as necessary.



**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion**  
**Lower Tier Covered Transactions**

(a) Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, has the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. <sup>1/</sup> You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier covered Transaction," <sup>2/</sup> without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Non procurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

<sup>1/</sup> See ADS Chapter 303, 22 CFR 208.

<sup>2/</sup> For USAID, this clause is entitled "Debarment, Suspension, Ineligibility, and Voluntary Exclusion (March 1989)" and is set forth in the USAID grant standard provision for U.S. nongovernmental organizations entitled "Debarment, Suspension, and Related Matters" (see ADS Chapter 303), or in the USAID grant standard provision for non-U.S. nongovernmental organizations entitled "Debarment, Suspension, and Other Responsibility Matters" (see ADS Chapter 303).

(b) Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Solicitation No.  
Application/Proposal No.  
Date of Application/Proposal  
Name of Applicant/Subgrantee  
Typed Name and Title

Signature\_\_\_\_\_ Date

## **Attachment 2**

### **STANDARD PROVISIONS FOR AN ENDOWMENT WITH U.S., NON-GOVERNMENTAL RECIPIENT**

1. Accounting, Audits and Evaluations
2. Prohibited Uses
3. Refund and Termination
4. Source, Origin and Nationality
5. Procurement Policies
6. Title to Property
7. Nonliability
8. Amendment

Reference herein to the "Endowment" shall be understood to mean both the original Grant and all earnings and income generated thereon, including capital gains, prior to disbursement by the Asset Manager.

## 1. ACCOUNTING, AUDITS AND EVALUATIONS

a. **Separate Accounts.** The Recipient and the [Asset Manager] shall hold the Endowment (the original Grant and all earnings thereon) in a separate account or accounts, and shall not commingle Endowment funds with assets, funds or investments from other sources while the Endowment is invested. However, after Endowment funds are disbursed from the [Asset Manager] to the Recipient to support its operations and the program described in Attachment 2, funds so disbursed from the Endowment may be commingled with other funds and need not be held in separate accounts nor separately tracked, provided that the Recipient operates its accounting and audit systems to adequately account for the expenditure of funds from all sources and to evidence compliance with this Agreement.

b. **Accounting for Investments.** The Recipient and the [Asset Manager] shall maintain books, records, documents and other evidence relating to the investment of the Endowment, in accordance with the Recipient's usual accounting procedures, to sufficiently substantiate investments made, bought or sold, all earnings received, and all disbursements from separate investment accounts to or on behalf of the Recipient.

c. **Accounting for Program Expenditures.** The Recipient shall maintain books, records, documents, and other evidence relating to expenditures for the program supported by the Endowment and by funds from other sources, in accordance with the Recipient's usual accounting procedures, to sufficiently substantiate expenditures of the Recipient of funds from all sources for Recipient's operations and program. The recipient's financial management system shall provide for the following:

(1) Accurate, current, and complete disclosure for each Endowment-sponsored activity in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the recipient shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

(2) Records that identify adequately the source and application of funds for Endowment-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. The Recipient shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the Endowment and the disbursement by the recipient.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the recipient of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

(8) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

d. Subrecipients. The Recipient shall require subrecipients to adopt the same standards in paragraph (c) above, and the Recipient shall insert a clause to this effect in all subgrants.

e. Audits.

(1) The Recipient shall require the Asset Manager to provide the Recipient a copy of its annual, audited, financial statement, or other annual financial audit, of its management of the Endowment. If the Asset Manager is a U.S. financial institution or financial services entity subject to U.S. law, a duplicate audit is not required.

(2) During the oversight period, and if the recipient is a nonprofit institution, it shall conduct audits in accordance with the requirements of OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions".

(3) In cases of continued inability or unwillingness to have audits performed in accordance with the terms of this provision, USAID will consider appropriate sanctions which may include termination of the Endowment.

f. Audits of Subrecipients.

(1) U.S. Subrecipients. The Recipient shall ensure that U.S. nonprofit subrecipients subject to the provisions of OMB Circular A-133 also conduct audits and submit them to the Recipient in accordance with that circular.

(2) Non-U.S. Subrecipients. The annual audit of the operations and program of the Recipient shall include reasonable review of expenditures and operations of those non-U.S. subrecipients, which are not subject to OMB Circular A-133, that receive \$25,000 or more per year, unless otherwise agreed by USAID in writing. Such audit responsibilities with respect to non-U.S. subrecipients may be satisfied by relying on independent audits of the subrecipients, or on appropriate procedures performed by the internal audit or program staff of the Recipient, by expanding the scope of the independent financial audit of the Recipient to encompass testing of representative subrecipients' records, or by a combination of these procedures. The Recipient shall require each subrecipient to permit independent auditors to have access to records and financial statements as necessary to perform audits.

g. Preservation of Records. The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant; or

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

h. Inspection of Records and Evaluations.

(1) During the oversight period, USAID shall retain a discretionary right to inspect the books and records of the Recipient and its subrecipients and to perform or arrange for further audits at USAID's expense. Recipient shall cooperate with USAID to allow and facilitate any such audits.

(2) During the oversight period, USAID may, at its own expense, conduct or arrange for one or more evaluations of the Recipient's programs funded in whole or in part by the Endowment, and Recipient shall cooperate with USAID to allow and facilitate any such evaluations.

## 2. PROHIBITED USES

a. The Recipient agrees that the Endowment will be used only for the purposes set forth in the Program Description and, in any event, that such funds will not be used:

- (1) to coerce any person to practice abortion; or
- (2) to pay for the performance of involuntary sterilization or to coerce or provide any financial incentive to any person to undergo sterilization; or
- (3) for military or paramilitary purposes; or
- (4) to attempt to influence legislation in the United States, in the host country, or elsewhere \*;

**\* This provision is not required by USAID. However, some Recipients have been advised by independent counsel that adherence to this provision is necessary in order to be granted 501(c)(3) status by the IRS.**

- (5) so as to inure, directly or indirectly, to the personal benefit of private persons, or be distributable to principals of the Recipient or the Asset Manager, except as such persons or their affiliates shall be authorized and empowered to receive reasonable compensation for goods sold or services rendered to or on behalf of Recipient or its subrecipients.

b. (1) No Endowment funds may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

- (2) No Endowment funds may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environment, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

- (3) No Endowment funds may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the host country, including those in any designated zone or area in that country.

c. Recipient shall include the restrictions in subparagraphs a. and b. in subgrants made with Endowment funds.

### 3. REFUND AND TERMINATION

a. If either the Endowment or the Recipient organization are dissolved or wound up, whether during or after the period of USAID oversight, USAID retains the right to demand and receive an immediate refund of all unexpended funds of the Endowment, upon written demand to Recipient, to the [Asset Manager], or successor organizations.

b. In addition, USAID may, [during the oversight period] [during the oversight period and for a period of ten (10) years thereafter] [whether during or after the period of USAID oversight]\*, by written notice to Recipient and the [Asset Manager], terminate the Endowment and demand and receive a refund of all unexpended funds of the Endowment in any of the following circumstances:

(1) If Recipient misuses Endowment funds or fails to comply with the provisions of this Agreement, if serious deficiencies are found in Recipient's performance in managing its program, if serious adverse audit findings are rendered against Recipient, or if USAID shall reasonably determine that other circumstances exist which will prevent the Endowment from fulfilling its purpose; provided that in any such case the problem has not been corrected within a reasonable period of time as notified in writing by USAID;

(2) If (i) there is a fundamental change in the nature of Recipient's structure or operations, including but not limited to a cessation of activities, dissolution, bankruptcy, or liquidation, etc.; or (ii) there is a fundamental change in the purposes of the Recipient organization as expressed in its current charter documents;

(3) If Recipient shall fail to comply with the terms of its charter documents or bylaws; or if a majority of the Board of Directors of Recipient shall request such termination in writing to USAID, or shall resign or be removed at the same time and prior to the conclusion of their respective terms of office; or

(4) If Recipient and USAID shall fail to agree on the selection of any replacement [Asset Manager] or on the terms and conditions of the [Asset Management Agreement] or modifications therein. (This provision is applicable during the oversight period only.)

**\* These additional termination rights may be made applicable only to the period of oversight, to the period of oversight plus a specified additional period (e.g., ten years), or in perpetuity, depending on the particular circumstances and perceived level of risk.**

c. If USAID shall exercise the termination rights described above, or if the Endowment or Recipient shall be otherwise dissolved for any reason at any time, then in such event, whether before or following the oversight period, all Endowment assets held by the [Asset Manager] (both principal and income) shall revert to USAID and be returned to the U.S. Treasury as miscellaneous receipts, unless USAID otherwise agrees in writing. Recipient and the [Asset Manager] shall be required to take all necessary steps to facilitate such a turnover of funds, including an orderly liquidation of assets as shall be reasonably requested by USAID. If such



assets are not turned over within 60 days of a written request therefor, then Recipient shall be directly liable to USAID for the value thereof.

#### 4. SOURCE/ORIGIN

In recognition of the fact that the Endowment was funded initially by a Grant from the U.S. Government, during the oversight period, Recipient agrees:

- a. to make a good faith effort to use U.S. flag air carriers and ocean vessels when they are available, for travel and shipping financed from the Endowment;
- b. to make a good faith effort to follow USAID's policies on source, origin and nationality of goods and services financed with the Endowment. Such policies generally require that goods and services be manufactured or originated in the United States or the host country, and be purchased from suppliers located in the United States or in the host country, except in cases in which U.S. or local goods or services are not available, or the objectives of the program would be otherwise impaired.

Recipient shall include this standard provision number 4 in all subagreements during the oversight period.

[Alternative for GEF-funded endowments:

In recognition of the fact that the Endowment was funded initially by a Grant from the U.S. Government, during the oversight period, Recipient agrees to make a good faith effort to use U.S. flag air carriers and ocean vessels when they are available, for travel and shipping financed from the Endowment.]

#### 5. PROCUREMENT POLICIES

The Recipient may use its own procurement policies and practices for the procurement of goods and services under the Endowment, provided they conform to the requirements listed below.

- a. The Recipient shall maintain a code or standards of conduct that shall govern the performance of its directors, officers, employees or agents engaged in the awarding and administration of contracts, grants, loans or other benefits using Endowment funds. No director, employee, officer or agent of the Recipient shall participate in the selection, award or administration of a contract, loan, grant or other benefit or transaction funded by the Endowment, in which the individual, members of the individual's immediate family or his or her business partners, or organizations controlled by or substantially involving such persons, has or have a financial interest. Nor shall any individual director, officer, employee, or agent of the Recipient so participate in such transactions involving organizations or persons with which or

whom that individual is negotiating or has any arrangement concerning prospective employment. The Recipient's directors, officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by the Recipient's directors, officers, employees or agents.

b. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, free and open competition. The Recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. Awards shall be made to the bidder/offeror whose bid or offer is most advantageous to the Recipient under the criteria for selection chosen for the procurement. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order to be evaluated by the Recipient. Any and all bids/offers may be rejected when it is in the Recipient's interest to do so.

c. Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

d. Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

e. Some form of price or cost analysis should be made in connection with every procurement. This analysis may be accomplished in various ways, including the comparison of price quotations submitted, and comparison of quotations with market prices.

f. Procurement records for purchases in excess of \$100,000 should be maintained and should include the following:

- (1) basis for award and for contractor selection, based on cost, price, or other factors;
- (2) justification for lack of competition when competitive offers are not obtained and considered.

g. The foregoing provisions shall be agreed to by subrecipients with grants in excess of \$25,000 per year.

## 6. TITLE TO PROPERTY

Title to any property acquired with distributions from the Endowment shall vest in the Recipient, unless such acquisitions are made by subrecipients, in which case title shall vest as agreed upon by the Recipient and the subrecipients.

7. NONLIABILITY

USAID does not assume liability for any claims by third parties for damages arising out of this Agreement or of the management or expenditure of the Endowment.

8. AMENDMENT

This Agreement may be amended by formal written modification to the Agreement signed by the a USAID Agreement Officer and an appropriate official of the Recipient.

**NOTE: THIS IS A SAMPLE GRANT FORMAT. THE GRANT FORMAT MAY BE ADJUSTED BASED ON THE SPECIFICS OF THE SELECTED PROPOSAL.**

**Attachment 3**

## **SCHEDULE**

### **A. Purpose of the Agreement and Effective Date**

1. The grant made by this Agreement will endow a capital fund to be invested in the United States for the benefit of the Recipient. Income generated by the grant shall be used by the Recipient to finance the activities described in the Program Description (Attachment 2).
2. This Agreement is effective on the date of signature of the accompanying Cooperative Agreement letter by both USAID and the Recipient (together the "Parties").

### **B. Amount of Grant**

1. The U.S. Agency for International Development (USAID) hereby obligates the amount of \$ \_\_\_\_\_ (the "grant") to create a capital fund as an endowment for the benefit of the Recipient. After disbursement, the grant and all earnings thereon are termed the "Endowment."

[Alternate section B.1. for incrementally funded endowments:

1. The U.S. Agency for International Development (USAID) hereby obligates the amount of \$ \_\_\_\_\_ (the "grant") to create a capital fund as an endowment for the benefit of the Recipient. After disbursement, the grant and all earnings thereon are termed the "Endowment." Subject to the availability of funds and mutual agreement of the Recipient and USAID, additional funds up to a total estimated amount of the grant of \$ \_\_\_\_\_ may be obligated for the Endowment by amendment of this Agreement.]

### **C. Disbursement, Oversight, and Post-Oversight Periods**

1. Disbursement Period. The period for disbursement of the grant to the Recipient, after the Recipient has met the Conditions Precedent set forth in Section E, shall be within one (1) year of the effective date of this Agreement, unless USAID agrees in writing to extend the disbursement period.
2. Oversight Period. The period of USAID oversight is 10 years from the effective date of this Agreement. During the oversight period, USAID will monitor the Recipient's management of

the Endowment and implementation of its program which is funded, in whole or in part, by the Endowment.

3. Post-Oversight Period. The period of post-oversight begins after the oversight period, and extends indefinitely. During this period, USAID will not monitor the Recipient's management of the Endowment nor implementation of its program, but USAID will retain certain residual refund and termination rights, as stated in this Agreement.

#### D. Conditions Precedent to Disbursement

1. Prior to disbursement of the grant by USAID or issuance by USAID of documentation pursuant to which disbursement will be made, the Recipient shall submit to USAID, in form and substance satisfactory to USAID, evidence of the following matters:

a. That the Recipient has obtained appropriate tax-exempt status in both the United States and (host country), such that neither the grant, the Endowment nor income generated by the Endowment will be subject to taxation.

b. That the Recipient has adopted a corporate policy on personnel compensation, including salaries and fringe benefits, consistent with local practice and appropriate to a non-profit organization.

c. That the Recipient has executed one or more Asset Management Agreement(s), with such Asset Manager(s) as USAID and the Recipient may mutually agree upon. The Agreement(s) shall set forth investment guidelines consistent herewith and specify USAID's rights to receive reports, to approve modifications of the Agreement or drawdown of capital, and to terminate the Endowment.

d. That USAID has approved the initial financial and operating plan, including a realistic projection of income from the Endowment, anticipated distributions to Recipient, and the annual rate of spending, broken down by line items, during the first year of operations of the Endowment, including the anticipated percentage of expenses allocated for general administrative and overhead for such year.

e. That USAID has approved the environmental guidelines of the Recipient for evaluating the environmental impact of subgrants or other subprojects, which must include a system for implementing and monitoring mitigation plans for subgrants or subprojects which have adverse environmental impacts.

2. USAID will promptly notify the Recipient when it has determined that the above conditions precedent have been fulfilled.

3. Once the conditions precedent have been fulfilled, in order to request disbursement of the grant, Recipient will submit to USAID an original and three copies of Standard Form SF 1034,

"Public Voucher for Purchases and Services Other Than Personal." The voucher will instruct USAID to disburse the grant to the Asset Manager(s) for investment on Recipient's behalf pursuant to the Asset Manager Agreements(s) and the terms of this Agreement.

4. If the foregoing conditions precedent to disbursement have not been fulfilled within one year from the date of this Agreement or such other date to which USAID may agree, USAID may, at its option, terminate this Cooperative Agreement by written notice to the Recipient.

#### E. Investment and Expenditure of the Endowment

The entire sum of the grant and any earnings and income thereon ("the Endowment") shall be invested in financial instruments offered in the United States market or such other instrument as USAID may agree to, except as such funds may be periodically expended to or for the benefit of the Recipient in accordance with the Program Description. Control of the Endowment and permissible uses of distributions shall be as set forth in the Program Description (Attachment 2), the Standard Provisions (Attachment 3) and the annual financial and operating plans.

Except as USAID may otherwise agree in writing, all Endowment funds, including income and capital gains generated thereon, shall be invested only in investment grade financial instruments offered in the U.S., through one or more U.S.-based financial intermediaries. Investments in global offerings are allowable as long as the instruments are offered in the U.S. through a U.S. financial intermediary. The investment portfolio shall be comprised of instruments with prudent levels of risk that, together with funds from other donors, are expected to generate income and capital gains in an annual amount sufficient for the needs of the projects and operations of the Recipient, while at the same time protecting the Endowment from loss of nominal value]. The portfolio will not include investments of a highly speculative nature, nor will it include commodity or margin investments or derivative instruments in which the Endowment could be at risk for an amount greater than the purchase price of the instrument involved, except as such instruments may be included indirectly as a small percentage of any mutual funds in which the portfolio is invested.

#### F. Reports \*

**The following reports are included only as suggestions. Reporting requirements should be shaped to the circumstances of the individual endowments.**

1. During the oversight period, the Recipient shall submit the following documents to:

Mission Director  
Office of USAID \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

or such other office(s) as USAID may elect:

- a. On a semi-annual basis, copies of regular reports from the Asset Manager(s) holding the Endowment, showing such items as overall portfolio value, investment holdings, earnings (or losses) for the period, distributions to the Recipient, and account fees;
- b. On an annual basis, a copy of the proposed annual financial and operating plan of the Recipient, showing the proposed budget for the coming year, anticipated earnings of the Endowment, planned distributions from the Asset Manager, and overall program objectives for such year, as well as the maximum percentage of expenses to be allocated to administration and overhead. USAID shall review such plan during the oversight period to verify overall compliance with the terms of this Agreement, as well as to approve an overall level of approved distributions from the Endowment for such year, but USAID shall not approve or disapprove specific subgrant activities.
- c. Copies of the Annual Report of the Recipient, showing the financial status of investments and expenditures and progress toward overall program objectives. The Annual Report shall contain:
  - (1) the annual audited financial statement of the Recipient's organization as a whole, as required under Standard Provision 1.d.(1), including:
    - (a) an annual financial status report of the investment of the Endowment, which includes detailed statements of all investments made, bought or sold, all earnings received, and all disbursements to or on behalf of the Recipient; and
    - (b) detailed statements of the expenditures by the Recipient of funds from all sources for its operations and program, including the operations and activities of subrecipients;
  - (2) a description of program activities, major subrecipients, goals, achievements, progress made and problems encountered, etc., in implementing the approved annual operating and financial plan;
  - (3) identities of management and directors and members of advisory committees to Board;
  - (4) total compensation paid to or on behalf of each of the individuals identified in paragraph (3) and a summary of any transactions between Recipient and such individuals or their affiliates; and
  - (5) the percentage of expenses allocated to general administration and overhead.

In order to facilitate planning and monitoring by USAID during the oversight period, the Recipient will make available drafts of the Annual Report to USAID when it becomes available, in advance of submission of the final Report containing the Recipient's annual audited financial statement.

d. On an annual basis, approximately six months after the submission of a draft of the Annual Report referenced above, a progress report for the period detailing implementation of the operating and financial plan, which should include an analysis of any major problems encountered. Such report will be based in part on reports and evaluations received from subrecipients.

e. Copies of independent outside evaluations of the Recipient's program, to be performed at the Recipient's expense no less than every three years from the effective date of this Agreement.

f. Copies of any other outside evaluations of the Recipient conducted by other donors or other organizations, whether or not contracted for by the Recipient, and summaries of any other audits or evaluations of the activities of subrecipients.

2. After the oversight period, the Recipient shall continue to make available to the public and other interested parties (including governmental and non-governmental organizations active in the field of \_\_\_\_\_ in (Recipient's country)) copies of its Annual Reports, containing the information stated in subsection F.1.b. above. Both during and after the oversight period, the Recipient shall publish the availability to the general public of copies of its annual report in one or more newspapers of wide circulation in (Recipient's country).

G. Substantial Involvement and Approval Rights of USAID During Oversight Period \*

**\* The following are included as suggestions only, except for 2., which must be included in some form as required by PD 21, but as modified to fit the circumstances of the individual endowment.**

USAID shall be substantially involved, during the oversight period, in the program funded through the Endowment, as follows:

1. USAID must review and approve, in writing, the annual financial and operating plans submitted by the Recipient, including the anticipated income on the Endowment, the rate of distributions from the Asset Manager to the Recipient during each calendar year or such other period as the Parties may agree, and the proposed budget for the forthcoming year. USAID shall not approve or disapprove individual subgrant activities, provided they are otherwise consistent with the program outlined herein.

2. USAID must approve, in writing, any changes to the Asset Management Agreement(s), the selection of a new or replacement Asset Manager, and any change in the structure of the Finance Committee of the Recipient, which shall be any committee of the Board or management which is, among other things, delegated responsibility to issue instructions to the Asset Manager(s).

3. USAID must approve the format of a standard subgrant agreement, as well as the Recipient's criteria for the selection of subrecipients, prior to execution of the first subgrant agreement by the Recipient.



4. USAID must approve the Recipient's selection of an independent auditor, in accordance with Section 1.d.(1) of Attachment 3.

5. During the first three (3) years of the oversight period, or such other period as USAID and the Recipient shall agree, an "ex-officio" representative of USAID shall be entitled to attend and participate in meetings of the Board of Directors as a non-voting member.

6. Changes in Compensation Plan. The Recipient agrees that its corporate policies on personnel compensation will not be modified during the oversight period without USAID's express written consent to the modification.

7. Conflict of Interest Policies. Recipient agrees that, during the oversight period, no change shall be made in the conflict of interest policies and guidelines approved by USAID prior to the execution of this Cooperative Agreement without USAID's advance written approval as to the form and substance of such change. The Recipient further agrees to enforce such policies and guidelines in accordance with the letter and spirit thereof.

8. Fundamental Changes in Composition. The Recipient agrees that any modification of the Charter or Bylaws of the Recipient and/or changes in the composition of the Board of Directors of the Recipient must be consistent with the objectives and provisions of (Recipient's country) law and this Cooperative Agreement in order for the Recipient to continue to receive distributions from the Asset Manager. No such modification may result in private members having less than a majority representation on the Board, and no modification in the structure or operation of the Recipient may be made which would jeopardize achievement of the purposes currently expressed in the Charter and Bylaws of the Recipient or this Cooperative Agreement. In addition, the Charter of the Recipient shall continue to provide that at least one voting member of the Board of Directors shall be a representative of a major U.S. \_\_\_\_\_ NGO which shall be acceptable to USAID. During the oversight period, the Recipient agrees to notify USAID promptly of any modification to its Charter or Bylaws and in the composition or method of selection of its Board of Directors.

H. Representatives. For purposes of awarding this Agreement, signing amendments hereto, or exercising USAID's termination or refund rights under this Agreement, USAID will be represented by an officially designated Agreements Officer. For all other purposes, including the exercise of USAID's approval rights under Article G of this schedule, USAID will be represented by the Director, USAID/\_\_\_\_\_, or his or her designee. The Recipient shall be represented by the person acting in the office of \_\_\_\_\_ or such other person(s) as it may designate in writing to USAID.

I. Provisions Remaining in Effect During Post-Oversight. Unless the context or the text of a provision of this Agreement indicates that it is effective only during the periods of disbursement or oversight (e.g., Article H above) all provisions of this Agreement remain in full force and effect during post-oversight, including the Standard Provisions.



